

Mineral Resource

BLM's Final Rule

On October 25 the Interior Department's Bureau of Land Management (BLM) issued new mining regulations that removed the controversial provision giving the Interior secretary authority to prohibit new mine sites. The final rule will take effect on December 31.

The '3809' surface mining regulations, which apply to hard-rock mining on public lands, retain the strict bonding requirements that the Clinton administration added in the last days of office.

Gone, however, is the controversial provision that would have allowed the Interior Secretary to veto new mines that would cause "substantial irreparable harm." The mining industry particularly objected to that provision because it was subjective and gave the BLM unlimited veto power over new and revised mining operations.

The current mining rule, which became effective January 20, 2001, will continue to provide the regulatory framework governing mining, as amended by the recent ruling. The final 3809 rule can be obtained from any of the BLM's State Offices or accessed from the Bureau's web site, www.blm.gov/nhp/news/regulatory/index.htm.

Phelps Dodge Announces Cutbacks

On October 23 Phelps Dodge Corporation announced the layoff of approximately 1,500 employees, including almost 800 Arizona workers. Phelps Dodge's goal is to curtail copper production by 243,000 tons annually. "For several months, we have been operating in an increasingly difficult economic environment," said Phelps Dodge Chairman, President and Chief Executive Officer J. Steven Whisler. "We've seen the COMEX price of copper fall from 80 cents per pound in March to 65 cents per pound in early September." "We also have experienced increasing softness in the markets Phelps Dodge Industries serves. We now are facing one of the more extraordinary and uncertain economic climates in the past 30 years. Phelps Dodge consistently has taken aggressive action to shape its future, and we are determined to continue to chart a successful course independent of variables we do not control."

The affected mines in Arizona are Miami, where the mine and refinery will be temporarily closed, and Sierrita and Bagdad, which will operate at one-half capacity. Phelps Dodge purchased all three of the Arizona properties from Cyprus Amax Minerals in 1999. Morenci,

Phelps Dodge's flagship operation in Greenlee County, will not be affected. The Chino mine

Bagdad Mine

A view of the autogenous mill at Bagdad in Yavapai County. Phelps Dodge will be cutting production in half by January.



and smelter in New Mexico will also be closed. The cutbacks, expected to be completed by January 15, will result in a 20 percent reduction in production, or about 243,000 tons.

The Miami mine in Gila County consists of an open-pit, an SX-EW plant, a 650,000-ton-per-year capacity smelter, a 380-million-pound-annual capacity electrolytic refinery, and a 135,000 ton-per-year rod plant. The mine produced 119 million pounds of copper in 2000.

Sierrita in Pima county consists of an open-pit copper-molybdenum mines, a 115,000-ton-per-day concentrator, two molybdenum roasting plants, a ferro-molybdenum plant, a rhenium plant, and an oxide and low grade sulfide dump leaching operation with SX-EW plant. Sierrita produced 245 million pounds of copper in 2000.

Bagdad in Yavapai County consists of an open-pit copper-molybdenum mine, an 85,000-ton-per-day concentrator, an oxide dump leach operation, and a 30-million-pound-per-year SX-EW plant. Bagdad produced 247 million pounds of copper in 2000.

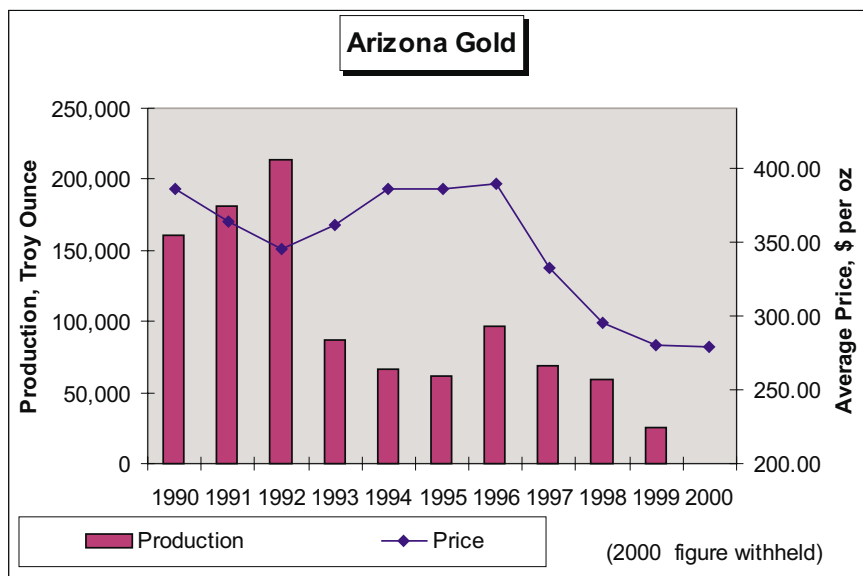
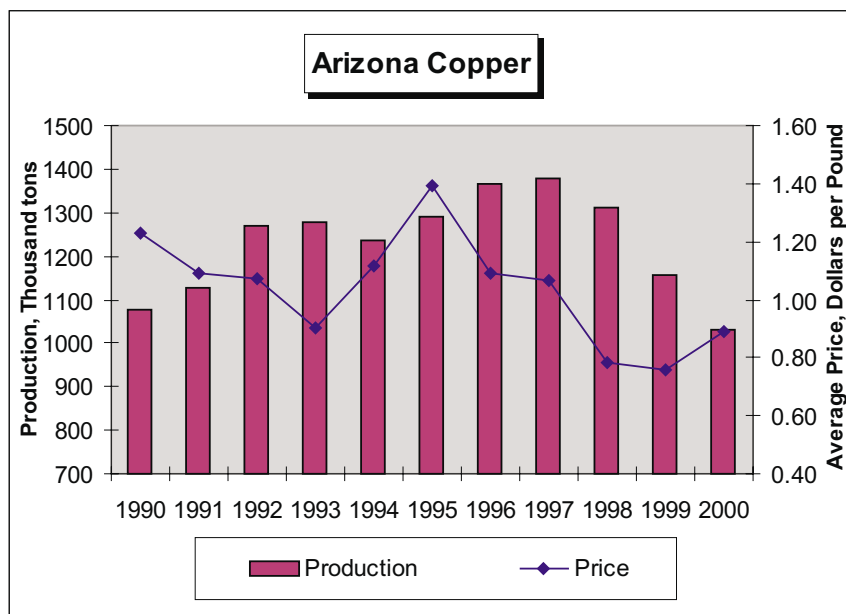
The cuts come in response to reduced demand and declining copper prices. Inventory levels have remained high and now stand at more than three times the optimal level. At the end of October copper was 61.5 cents a pound a 14 ½ year low. The weakened global economy is a big factor in the decline in demand.

“This temporary curtailment plan will reduce copper production while maintaining our core workforce and the operational readiness of our properties so that resumption of the shuttered production can be effected quickly and efficiently,” Whisler says. “The plan also will maintain our internal production and consumption balances of concentrate, sulfuric acid and

copper anodes. Our U.S. rod mills will not be affected by this plan.”

Asarco, the other major copper producer in the State, has yet to announce plans for any changes in their Arizona operations. Asarco operates Ray, Mission, and Silver Bell mines and the Hayden smelter. Even with the announced cutbacks by Phelps Dodge, Arizona remains the Nation’s largest producer of copper.

Arizona production of copper and gold, plotted with price, for the last decade.





Spare Tire

Crane operator Terry Jones and flat-bed truck driver Tim Gilsdorf position a 10,000 lb. tire in the west storage yard of the Department. The 13-foot diameter tire will remain in storage only until a place is prepared for it in front of the Museum. The tire, from a mine haul truck at the Sierrita Mine in Pima County, was donated by Purcell Western States Tire. APS donated the transport and the crane to unload it. The tire will make a dramatic addition to the outside displays.

www.admmr.state.az.us

The Department website is being expanded and improved on a continual basis. If you haven't visited lately you will find many more of the Department publications online. The Museum brochure is available as a PDF, many of the Circulars are available, the Rockhound page is newly updated, and the Mining Links page could prove very useful. No, the AzMILS database is not online, you still must come in to access it or purchase the maps and index by county. The complete database for the State is available digitally on a 3.5" PC-compatible floppy disc.



Do you need this information in an alternative format? Please call the Department at 602-255-3795.

Arizona Mineral & Gem Shows

The gem show season is in full swing. The following is a partial listing of upcoming shows. For a complete and detailed listing, request Circular 94 or visit the Department website.

- Nov. 30 Wickenburg Gem & Art Fair
- Jan. 4 Tyson Wells Sell-A-Rama
- Jan. 4 Flagg Gem & Mineral Show
- Jan. 18 Gila Co. Gem & Mineral Show
- Jan. 23 Quartzsite Pow Wow
- Jan. 26 Arizona City Gem & Min. Show
- Feb. 9 Wickenburg Gold Rush Days
- Feb. 14 Tucson Gem & Mineral Show
- Feb. 23 Apache Junction Mineral Show
- Feb. 23 Az. Mining & Mineral Museum's Prospectors Day
- March 1 Phoenix Gem & Mineral Show

2002 Mineral Symposium

A date has been set, and a call for papers issued, for the *Tenth Annual Minerals of Arizona Symposium*. The symposium, co-sponsored by the Museum and the Arizona Mineral and Mining Foundation, will be held Saturday, March 23, 2002 at the Museum.

Anyone interested in presenting a paper related to Arizona minerals or an Arizona mineral locality may send an abstract to Ray Grant, 3262 W. Monterey Street, Chandler, AZ 85226 before February 1, 2002. The final program, will be announced in February.

BOARD OF GOVERNORS

Sydney Hoff-Hay
Chairman -
Phoenix

James Miller -
Vice Chairman -
Sun Lakes

Leroy Kissinger
Secretary - Tucson

David C. Ridinger
Member - Tucson

Eric A. Nordhausen
Member - Tucson

STAFF

W. "Doug" Sawyer -
Director

Ken A. Phillips - Chief
Engineer

Nyal J. Niemuth - Mining
Engineer

Diane Bain - Editor

Ann Turney - Administra-
tive Assistant

Tina Mendoza - Secretary

Susan Celestian -Curator

Scott Poland -
Education Curator

Liz Anderson - Tour
Guide

Ann Baker - Tour Guide

Shirley Coté - Tour Guide

Joanne Hesterman - Tour
Guide

Alice Rosenfeld - Tour
Guide



Arizona Department of Mines & Mineral Resources
1502 West Washington
Phoenix, Arizona 85007

Address Correction Requested